



# Elderly Homeowner/Renter Credit

## Instructions (primary residence only)

The elderly homeowner or renter credit is for your use if you're 62 years old or older. A credit for your property taxes assessed or rent paid may be used against your state income tax liability or as a direct refund even if you're not required to file a Montana income tax return.

Please read the instructions and complete the form to see if you qualify for the credit.

Additional help is available by calling (406) 444-6900 or TDD (406) 444-2830. ☎

**Part II** - Answer all questions. If the answer to any question is "No", you are not eligible for the credit.

**Part III - Lines 1-5.** Household Income. On lines 1 through 5 enter income from all sources received by you and any other persons with whom you share a household. Include taxable and nontaxable income. Do not include any losses on lines 1 through 5. If income exceeds \$45,000, do not go any further. You are not entitled to the refund.

Income for purposes of the refund means federal adjusted gross income, without regards to loss, plus all nontaxable income including but not limited to:

- Amount of any pension or annuity, including railroad retirement and veteran's disability benefits
- Amount of capital gains excluded from adjusted gross income
- Alimony and support money
- Nontaxable strike benefits
- Cash public assistance and relief
- Payments and interest on federal, state, county and municipal bonds
- All payments received under federal social security except social security paid to a nursing home.
- For above items (a-g), income is reduced by taxpayer's basis.

**Line 6** - Enter total income.

**Line 7** - Standard exclusion.

**Line 8** - Subtract the amount on line 7 from line 6 and enter balance. (If less than zero enter zero)

Trusts: 2004 property taxes billed on a residence held in a revocable trust which are paid by an eligible claimant are allowable. The eligible claimant and their spouse must be the only trustees of the revocable trust.

If the property occupied by an eligible claimant is in a name other than the claimant, the property taxes billed are allowable only as rent. This includes irrevocable or family trusts.

Qualifying individuals who place a residence in a life estate and who pay the property tax may claim the taxes when calculating this credit.

Mail this form to: Montana Department of Revenue, PO Box 6577, Helena MT 59604-6577.

### Household Income Reduction Table

If your  
Household income  
on line 8 is:

At least this amount	But not more than	Your multiplier for line 14 is:
\$ 0	1,999	0
2,000	2,999	.006
3,000	3,999	.016
4,000	4,999	.024
5,000	5,999	.028
6,000	6,999	.032
7,000	7,999	.035
8,000	8,999	.039
9,000	9,999	.042
10,000	10,999	.045
11,000	11,999	.048
12,000 and over		.050

## Part IV-Homeowners

**Line 9** - Include a copy of your property tax bill or a letter from your county treasurer showing the total property taxes billed and assessed for 2004 on your primary residence.

The property taxes allowed on line 9 of the 2004 2EC are the total taxes billed on your November 2004 property tax statement on your residence and surrounding land (not to exceed one acre). This amount includes all special assessments and fees. The 2004 2EC is based on 2004 property taxes billed, not the property taxes actually paid.

Land surrounding the eligible residence for the Elderly Homeowner/Renter Credit is the one acre homesite associated with the primary residence.

If the one acre homesite is not separately identified on the tax bill from other land, and the ownership is less than 20 acres, the allowable deduction shall be calculated as follows: total amount of property tax billed on the land, divided by the total acreage to equal the allowable amount of property tax used in the credit calculation.

If the land is classified as forest land, agricultural land or non-qualifying agricultural land and the one acre homesite is not separately identified on the tax bill, you must contact your local county assessor's office for the computation.

Skip lines 10 and 11 and enter your allowable tax from line 9 on line 12.

### Part IV-Renters

Signed rent receipts must be attached.

Renters of county or municipal housing authority dwellings are eligible to apply.

When a taxpayer lives in a health care, long-term care, personal care or residential care facility, the rent allowed is the actual out of pocket rent paid. If an adequate breakdown between rent and amenities paid is not provided, the rent allowed will be limited to \$20 per day (not to exceed \$7,300).

**Line 10** - Enter the amount of rent you paid in 2004. Signed rent receipts must be attached.

**Line 11** - Multiply line 10 by 15% (.15). Enter the result here and on line 12.

### Part IV-Homeowners and Renters

If you own your home and rent the land or rent your home and own the land enter 2004 taxes billed on line 9. Enter your rent paid on line 10. Add lines 9 and 11 and enter total on line 12.

**Line 13** - Enter your household income from line 8.

**Line 14** - From the table below enter your multiplier based on your household income from line 13.

**Line 15** - Multiply line 13 by line 14 and enter the result.

**Line 16** - Subtract line 15 from line 12. (Number entered cannot be less than zero)

**Line 17** - First, enter the amount from line 16 or \$1,000, whichever is smaller. Then follow instructions as applicable to income shown on line 6.

**Line 18** - Enter the applicable percentage from the table. If total income from line 6 is between \$35,000 and \$45,000, the Elderly Homeowner/Renter Credit must be prorated. If line 6 income is more than \$45,000, no credit is allowed.

**Line 19** - This is the allowable Elderly Homeowner/Renter Credit. Mail this form (and tax return if required to file) to the address shown on the front of Form 2EC.

### Direct Deposit

If you wish to use direct deposit, enter your RTN# and ACCT# in the appropriate spaces. The routing number must be nine digits. The account number can be up to 17 characters (both numbers and letters). If routing and accounting numbers are not correct, the direct deposit will be rejected and a check will be mailed to you instead.